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RUEHKO/AMEMBASSY TOKYO PRIORITY 2988  
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RUEHBI/AMCONSUL MUMBAI PRIORITY 5422  
RUEHON/AMCONSUL TORONTO PRIORITY 0247  
RUEHGV/USMISSION GENEVA PRIORITY 2119  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY  
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S E C R E T SECTION 01 OF 03 COLOMBO 000844

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DEPARTMENT FOR SCA/INS  
MCC FOR D NASSIRY AND E BURKE

E.O. 12958: DECL: 06/14/2017  
TAGS: PGOV PREL PTER PHUM MOPS CE

SUBJECT: SRI LANKA: OPPOSITION LEADER CALLS FOR ARREST OF  
PRESIDENT'S BROTHER, CHIEF OF STAFF, AND TREASURY SECRETARY

REF: A. COLOMBO 788  
    1B. 2006 COLOMBO 1622  
    1C. COLOMBO 824

Classified By: Ambassador Robert O. Blake, Jr., for reasons 1.4(b,d).

11. (S) SUMMARY: United National Party (UNP) Opposition leader Ranil Wickremesinghe, citing the same grounds used by the Terrorism Investigation Division (TID) to arrest Tiran Alles (ref A), has called for the arrest of the President's brother Basil Rajapaksa and other members of the President's inner circle. Alles has documented his own involvement and the involvement of Basil and others in a secret agreement with the Tamil Tigers to suppress Tamil votes in the 2005 Presidential election. Alles reportedly placed a sworn affidavit and a video disk of at least one secret meeting with the Tigers in a secure location for his attorney's possible use in his legal defense. On June 13, Alles was released on bail, but while he was in court for his hearing, his house was reportedly ransacked and the video disk stolen.

Two recent Supreme Court decisions have also opened the door for Alles' defense attorney to move to unfreeze his bank accounts and gain compensation for the cancellation of his license to sell mobile phone services in Sri Lanka's Northeast. END SUMMARY.

RANIL CALLS FOR BASIL'S ARREST

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12. (SBU) Opposition leader Ranil Wickremesinghe told his United National Party parliamentary group that the President's brother and advisor Basil Rajapaksa, Presidential Chief of Staff Lalith Weeratunga, and Treasury Secretary P.B. Jayasundara were implicated in the alleged pre-election deal with the Tamil Tigers to assure Mahinda Rajapaksa's election.

They should therefore also be arrested, just as former Airport Authority Chairman Tiran Alles was. Alles' sworn statement to the Terrorism Investigation Division reportedly accuses all three of having engineered a multi-million dollar

payoff to the Tigers. Until June 13, Alles was held under arrest in National Hospital, where he was receiving treatment (ref A).

¶3. (S) A UNP source told Pol Chief that Tiran Alles had executed an affidavit detailing Basil Rajapaksa, Jayasundera and Weeratunga's involvement in the arrangements with Emil Kanthan, a prominent Tamil businessman and suspected LTTE intelligence officer, some time ago. Alles has deposited the original in a secure place accessible to his attorney.

Further, Alles had recorded at least one of the meetings between Kanthan and Rajapaksa's election team (Basil Rajapaksa, Jayasundera and Weeratunga) with his mobile phone's video camera. (Note: at least one of the meetings reportedly took place in Alles' office.) According to the source, Alles also kept a copy of the video in a secure location. Several Embassy contacts report having seen at least parts of the video.

¶4. (SBU) On June 13, Alles was released on one million rupees bail (roughly 90,000 U.S. dollars) under stringent conditions that include a weekly check-in with the TID. While Alles and his family members were in court for his bail hearing, his house was reportedly ransacked. The burglars seemed to pay special attention to Alles' home office. Alles' close friend, former Port Development Minister Sripathi Sooriyarachchi, was quoted in the Daily Mirror alleging that the video disk was taken. In addition to the video, Alles stated that one million rupees was taken from his house. Despite this, Sooriyarachchi added that Alles has "important things to disclose, which will be done in the near future," implying that Alles may have other copies of the

COLOMBO 00000844 002 OF 003

video.

#### ALLES' FAMILY DISTRAUGHT OVER HIS ARREST

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¶5. (S) Pol Chief met family members of Tiran Alles on June 14. Alles' parents are well-known and respected educators who have founded several schools in Sri Lanka, and who have educated many of Sri Lanka's elite. Most recently, one of their schools had been providing free after-school tutoring to President Rajapaksa's youngest son to help him pass his university entrance exams. This relationship had persisted until late May, they told us. The family was bitter about the Rajapaksa's ingratitude. They pointed out there is little doubt that the arrest of Alles was politically motivated. The investigation of Alles started when former Foreign Minister Mangala Samaraweera began making allegations about a secret deal between Basil Rajapaksa and the Tigers. The investigation stopped while efforts to engineer a rapprochement between Samaraweera and the Rajapaksas continued, and began again just one day after those talks finally broke down. The Alles family had been opposed from the beginning to Tiran's getting involved in politics, which they considered a dirty and dangerous business. However, they never imagined he would find himself in such serious difficulties. They said Alles' medical condition was stress-related and serious. Alles' parents told us that Alles had been trying to downplay the story, hoping to avoid it becoming a cause celebre) and perhaps hoping to avoid what happened to Sooriyarachchi.

¶6. (SBU) Tiran Alles' attorney has, in the meantime, racked up some initial victories in his fight for vindication of his client. A three-judge panel of the Supreme Court ruled that the Defense Ministry had no legal authority to order suspension of the license of one of Alles' several companies to market mobile phone service in Sri Lanka's northeast. (Note: it was in the course of these legal transactions that Alles originally met Emil Kanthan.) A separate Supreme Court panel also allowed another case filed on behalf of Alles to proceed. This suit would lift the freeze on accounts that the Central Banks' Financial Intelligence Unit (FIU) had

imposed at the direction of the Defense Ministry. The judges noted that no provision of the Emergency Regulations gave the Defense Secretary authority to order the accounts frozen.

COMMENT

17. (S) A confidential source within the FIU told us the government was apparently using the FIU to harass and intimidate Alles. The former head of the FIU had declined to sign the order freezing Alles' accounts, saying there was no legal basis for doing so. He relented, under intense pressure from Central Bank Governor Nivard Cabraal, and signed the orders just days before his own resignation.

18. (C) Basil Rajapaksa conceded to Ambassador (ref B) that the pre-election contacts with the LTTE had taken place. It is not yet established that money changed hands in these meetings or what Kanthan may have done subsequently with the funds. However, the sensitivity of the Rajapaksas to the allegations is understandable. It is a historical fact that threats by the Tamil Tigers suppressed the Tamil vote not just in the areas they control, but in all districts of the Northeast. Even the suggestion of a deal with the Tigers is anathema to many of the president's supporters, especially the JVP, parts of which have begun to distance themselves from the Rajapaksas (ref C). It still seems unlikely to us that the GSL can successfully prosecute Alles; the collateral damage to Basil and the other figures in the case would be

COLOMBO 00000844 003 OF 003

enormous. Already, the heavy-handed efforts to neutralize Alles, former Foreign Minister Samaraweera and his understudy, Sooriyaratnam, have come at a high political cost and undermined the stability of the government. Alles' release on bail may be a sign that the parties are again trying to settle their differences. If the new attempt is successful, the story will likely disappear. That said, he is hardly in the clear. Under the emergency regulations passed in December 2006, Alles could be detained again and held on suspicion by successive detention orders. End comment.

BLAKE